



Title: Title I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 03-20, New Mexico State Income Tax Withholding

Date: July 16, 2003

To: Holders of TAXES (State of New Mexico only)
Personnel User Groups
T&A Contact Points in New Mexico

Beginning with wages paid for Pay Period 14, the Single or Head of Household and Married withholding tables will change for the state of New Mexico. Also, the annual exemption allowance will increase from \$3,000 to \$3,050.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to the National Finance Center (NFC) home page (www.nfc.usda.gov) and click on **Pubs & Forms**. Then on the Pubs & Forms page left hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes on the tax formula are identified by “►◄”.

For questions about NFC processing, contact the Payroll Operations Branch at **504-255-4630**. Please refer questions about system access and other system related issues to Customer Support at **504-255-5230** or via e-mail at customer.support@usda.gov. Refer questions about this bulletin to **504-255-5322** or via e-mail at nfc.pvct@usda.gov.

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New Mexico State Income Tax Information

State Abbreviation:	NM
State Tax Withholding State Code:	35
Acceptable Exemption Form:	None
Basis For Withholding:	Federal Exemptions
Acceptable Exemption Data:	None
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	A state tax certificate is not required since Federal exemptions are used in the computation of the state formula.

Withholding Formula ►(Effective Pay Period 14, 2003)◄

1. Subtract the biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract non-taxable Federal Health Benefits Plan payments from the adjusted gross biweekly wages.
3. Add taxable fringe benefits (taxable life insurance, etc.) to the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages times 26 to obtain the annual wages.
5. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute the taxable income.

Exemption Allowance = ►\$3,050◄ x Number of Exemptions

6. Apply the taxable income computed in step 5 to the following table to determine the New Mexico tax withholding.

Tax Withholding Table Single or Head of Household

If the Amount of Taxable Income Is:		The Amount of New Mexico Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ ►0	\$ 1,700	\$ 0	plus	0.0%	\$ 0
1,700	7,200	0	plus	1.7%	1,700
7,200	12,700	93.50	plus	3.2%	7,200
12,700	17,700	269.50	plus	4.7%	12,700
17,700	27,700	504.50	plus	6.0%	17,700
27,700	43,700	1,104.50	plus	7.1%	27,700
43,700	and over	2,240.50	plus	7.7%	43,700◄

Married

**If the Amount of
Taxable Income Is:**

**The Amount of New Mexico Tax
Withholding Should Be:**

Over:	But Not Over:
\$ 0	\$ 4,900
4,900	12,900
12,900	20,900
20,900	28,900
28,900	44,900
44,900	68,900
68,900	and over

				Of Excess Over:
\$	0.00	plus	0%	\$ 0
	0.00	plus	1.7%	4,900
	136.00	plus	3.2%	12,900
	392.00	plus	4.7%	20,900
	768.00	plus	6.0%	28,900
	1,728.00	plus	7.1%	44,900
	3,432.00	plus	7.7%	68,900◀

7. Divide the annual New Mexico tax withholding by 26 to obtain the biweekly New Mexico tax withholding.